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JPRS-CPS-85-025

14 March 1985

# China Report

POLITICAL, SOCIOLOGICAL AND MILITARY AFFAIRS

PRC STATE COUNCIL BULLETIN

No. 18, 20 Aug 1984

DTIC QUALITY INSPECTED 3

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14 March 1985

**CHINA REPORT**  
**POLITICAL, SOCIOLOGICAL AND MILITARY AFFAIRS**

**PRC STATE COUNCIL BULLETIN, No. 18, 20 Aug 1984**

**Beijing PRC STATE COUNCIL BULLETIN in Chinese No 18, 20 Aug 1984**

[This volume contains selected translations from the PRC STATE COUNCIL BULLETIN. Items that are cross-referenced or marked [Previously published] have appeared in other JPRS or FBIS publications.]

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POLLUTION PREVENTION DECISION PASSED

Beijing STATE COUNCIL BULLETIN in Chinese No 18, 20 Aug 84 pp 595-597

[State Council Decision on the Work of Stepping Up Prevention Against Dust and Poisonous Gas Pollution (18 Jul 84)]

(Guofa [0948 4099] (1984) No 97)

[Text] Since the founding of the PRC, the party and the government have always adhered to the principle of production safety and attached importance to preventing and overcoming the harm of dust and poisonous matter in production. In order to guarantee the safety and health of our staff and workers, relevant regulations and rules have been promulgated. The various areas and departments have also done a great deal of work and scored certain achievements. However, there is still serious pollution from dust and poisonous matter. The content of dust and poisonous matter in the air in most of the operation sites of quite a few enterprises in the whole country exceeds the public health standards stipulated by the state. This seriously harms the physical health of the staff and workers. In industries with serious dust pollution, such as coal mining, metallic ore mining, building materials industry, glass industry, porcelain industry, refractory materials industry, stone powder industry, asbestos industry, casting industry and the digging of tunnels, occupational diseases are even more serious. This has not only seriously affected the stability of the ranks of staff and workers there and hindered the improvement of economic results, but has also had a negative political effect. We should never allow this situation to develop unchecked.

In order to strengthen leadership in the work of preventing dust and poisonous matter and in order to insure the safety and health of staff and workers so as to raise economic results and contribute to the four modernizations, the following decisions have specially been made:

I. Concerning capital construction projects and technological transformation affecting entire factories in our various areas and departments, their dust and poison prevention and safety facilities should be designed, examined, approved, checked and put into operation simultaneously with the principal projects.

When the planning departments at all levels and the various relevant responsible departments draw up, examine and approve the "documents on planned tasks of capital construction projects" and issue investment plans to the lower

levels, they must simultaneously put forth the requirements for dust and poison prevention and safety facilities.

In the initial design of the construction projects, the designing units should write, in accordance with the relevant regulations and requirements of the state, special chapters on safety and industrial hygiene, which should give detailed explanations of the possible occupational harms in the process of the production, the preventive measures that have to be adopted and the expected effect of these measures.

The relevant responsible departments should send the initial designs to the labor and public health departments and trade union organizations at the same level for examination and approval and only after getting the consent of these organizations can these departments proceed to carry out the construction in accordance with the designs. The construction units should carry out the construction in strict accordance with the blueprints of the designs. In arranging the checking for the acceptance of the projects after they are completed, the various areas and departments must ask the labor and public health departments and trade union organizations at the same level to take part in the work of checking. The labor and public health departments and trade union organizations at various levels should conscientiously supervise and examine these projects and refuse the acceptance of projects that do not satisfy the requirements and should not allow these projects to go into operation.

The above-mentioned regulations are also applicable to the projects of joint Chinese and foreign investment enterprises and compensation trade enterprises.

II. In carrying out technological transformation in our existing enterprises and institutions, the economic responsible departments at all levels and the departments in charge of these enterprises and institutions must at the same time solve the problems related to dust and poison pollution and production safety. In line with the formulation of plans for our cities and with the restructuring of our industries, they should draw up short- and long-term plans for the enterprises and institutions where there is serious dust and poison pollution and distinguish between different conditions in order to adopt the following measures:

1. We should merge and concentrate the small processing enterprises in our urban areas that have serious poisonous dust pollution and do our best to use new technology and equipment and have these enterprises carry out specialized production in prescribed areas.

2. The following are the sources for the expenditure of our enterprises and institutions in overcoming the pollution from dust and poisonous matters and improving working conditions.

a) We should continue to implement the spirit of the report of the state general labor administration and Ministry of Public Health on strengthening the work of preventing dust and poison pollution in our factories and mining enterprises, a document approved and issued by the State Council (Guofa [0948 4099] (1979) Document No 100), that every year, we should allocate part of the funds

for the renewal of fixed assets in our enterprises to improving working conditions for our workers. If these funds are not enough for the needs, the enterprises should make up part of the shortage of funds with their own funds, such as their after-tax profits or retained profits.

b) The enterprises can use the realized profits from the products of comprehensive utilization projects that they have carried out in order to eliminate dust and poisonous matters in accordance with the regulations promulgated by the Ministry of Finance and the Former Environment Protection Leading Group of the State Council in the "Circular on the Retention of Profits From the Products of Comprehensive Utilization That Industrial and Mining Enterprises Carry Out in Order To Eliminate 'Three Wastes'" ([79] Caiqizi [6299 0120 1316] No 707, [79] Guohuanzi [0948 3883 1316] No 47).

c) Our institutions should solve the problem through using the surplus of the funds allocated to them by responsibility contracts and income outside the budget. If this is not enough, they should spend a part of the year's operational funds for this purpose.

d) Collective enterprises should solve the problem by means of using their funds for renewal and transformation or their after-tax profits.

3. Seeing that at present the pollution of dust and poisonous matters is serious and the number of the problems left over in our protection facilities is relatively large, the economic committees at all levels and the departments responsible for enterprises and institutions should arrange work forces to carry out inspections of the dust and poison prevention work in the units under them, put forth measures for improvement and allocate special funds from the renewal and transformation funds in their hands to focus on solving problems of serious dust and poison pollution in the enterprises in their areas and departments. They should be determined to close, suspend, merge and transfer enterprises that have backward technology, serious pollution from dust and poisonous matter and low economic results and that are unable to carry out technological transformation in the near future.

III. All the industrial and mining enterprises and institutions must adopt various comprehensive dust prevention measures, such as using sealed chambers and dust-removing facilities or carry out wet operations for their dust-yielding processes and sections. They should strictly forbid dry operation in their production and rock drilling without dust-prevention measures.

IV. We should strictly forbid the shifting of dust and poison pollution elsewhere by our various enterprises, institutions and the responsible departments for enterprises and institutions. They are not allowed to contract the production and processing of products that may yield dust or poison pollution to collective or township and town enterprises where there are no dust- or poison-prevention facilities. If they have already contracted such production or processing, they should be responsible for giving guidance in eliminating the pollution and solving the problem. In the future, we should severely punish and even investigate and affix the legal responsibility of the responsible persons of the units that have shifted pollution from dust or poisonous matter

without adopting effective measures or without explaining the details of the pollution to the units that undertake the contracted production or processing.

Operations with dust or poison pollution are forbidden in township and neighborhood enterprises where there are no facilities or measures to prevent pollution.

V. In introducing from abroad full sets of technology and equipment which yields dust or poison pollution in operation, we must at the same time introduce or develop at home corresponding technology and equipment to eliminate the pollution and must not fail to do this because of thrift. If the technology and equipment is to be developed and made at home, we must at the same time write this into our plans and actually assign these tasks to production units so that they will be installed and put into operation at the same time as the principal projects.

The equipment produced at home should meet the requirements for the technology and design that are stipulated in the state's relevant regulations on dust and poison prevention. The responsible departments over the enterprises should exercise strict control and forbid the production or delivery of anything that does not meet the regulations.

VI. We should strengthen the work of supervision and inspection over the prevention of dust and poison pollution. The labor and public health departments and trade union organizations at various levels should closely coordinate with one another, work hard to cooperate with one another and conscientiously do this work.

Our labor and public health departments should establish and perfect the inspection system, appoint inspection and supervision workers, equip themselves with means of testing and measuring and help the enterprises and institutions to formulate and carry out technological measures to eliminate dust or poison pollution. They should mete out economic punishment and set a deadline for improvement for those enterprises and institutions that have violated the regulations and caused serious dust or poison pollution. Local judicial departments should punish serious offenders in accordance with the law.

Whenever a situation emerges to affect the safety of the lives of our workers, the trade unions may support the workers in refusing to work and demanding the normal payment of wages.

The public health departments at all levels should supervise and assess from the medical point of view the prevention, consultation and treatment of occupational diseases among the staff and workers of our enterprises and institutions.

Our propaganda departments should strengthen their work to publicize the prevention of dust and poison pollution. They should regard the prevention of dust and poisonous pollution and the prevention and treatment of occupational diseases as a requirement in evaluating the performance of our enterprises and institutions.

VII. All the areas and departments should strengthen their leadership over the work of dust and poison prevention and include this work in their agenda as important affairs. While earnestly improving working conditions, they should strengthen the work of training, propaganda and education to increase the knowledge of production management personnel and workers about safety technology, labor hygiene and dust and poison prevention and thus improve the competence of our staff and workers concerning safety technology. Satisfactorily carrying out the work of labor protection is an important condition for the development of production and is also a basic content of socialist civilized production. Leading groups of our enterprises and institutions and of the departments responsible for them must grasp this work as an important task and must never neglect it.

All the areas and departments are requested to make a special report on the implementation of this decision to the State Economic Commission before the end of June 1985.

CSO: 4005/428

STATE COUNCIL OFFICIAL ON FURTHER OPENING OF COASTAL CITIES

Beijing STATE COUNCIL BULLETIN in Chinese No 18, 20 Aug 84 pp 598-601

[Responsible Person of the State Council Answers XINHUA Reporter's Questions on Policies Concerning the Further Opening of 14 Coastal Cities (12 Jul 84)]

[Text] I. Question: In May 1984 the CPC Central Committee and the State Council decided to further open 14 coastal cities, namely, Dalian, Qinhuangdao, Tianjin, Yantai, Qingdao, Lianyungang, Nantong, Shanghai, Ningbo, Wenzhou, Fuzhou, Guangzhou, Zhanjian and Beihai. What are the reasons for further opening these 14 coastal cities?

Answer: The 3d Plenum of the 11th CPC Central Committee ascertained the policies of opening the country to the outside world and of improving the domestic economy, policies which are vital and strategic to economic development in this new historic period. In recent years, we have taken major steps to organize joint ventures and cooperation enterprises, to allow foreign investors to set up enterprises with exclusive foreign capital, and to set up special economic zones [SEZ's] in a bid to make full use of foreign investment and to import advanced technology. Much work has also been done in expanding export trade and developing other foreign economic activities. Remarkable results have been achieved and such major steps have also played an active role in adjusting and developing the national economy. In view of the current situation, it is necessary to take new steps to open the country to the outside world. As Comrade Deng Xiaoping pointed out: "One guiding principle for setting up special economic zones and opening the country to the outside world should be made clear. That is, we are to open up, not to tighten." That was why the party Central Committee and the State Council made such an important decision to further open 14 coastal cities.

Such coastal cities enjoy a fairly good foundation of industry and are relatively strong in S&T. Their superiority will be given full play and their economic development will be speeded up if foreign economic cooperation and exchange of technology are developed on a broader scale and greater strides are made in utilizing foreign investment and importing advanced technology. These 14 coastal cities, together with the four SEZ's and Hainan Island, will form a line from north to south, a frontier of opening the country to the outside world. They will support and lead the mainland in respect of the absorption of advanced technology, promotion of experience in scientific management,

transmission of economic information, and training of talented personnel in transportation, and will make greater contributions in ushering in the new technological revolution and the revitalization of our economy.

II. Question: What will the policy of further opening these cities to the outside world include?

Answer: Our policy of opening the country to the outside world is carried out throughout the country. By saying further opening these 14 coastal cities to the outside world, we mean to open them on a broader scale to the outside world. Such a policy will mainly cover two aspects. First, to give these cities more authority to engage in foreign economic activities. In other words, to give them more autonomy so that they can make their own decisions within this limit without having to obtain approval from the province. Approval will not have to be sought from the provincial government or the State Council or its departments concerned. Second, to give preferential treatment to foreigners, overseas Chinese, compatriots in Hong Kong and Macao, compatriots in Taiwan and their companies and enterprises (hereafter referred to as foreign investors) that come to invest or set up factories. It should be stated that the policy will only apply to the municipal areas of these 14 coastal cities, excluding the counties and towns and townships directly under them. Shantou city and the municipal areas of Zhuhai city, where SEZ's have been set up, will be dealt with in the same manner as these 14 coastal cities as regards the utilization of foreign investment and introduction of advanced technology.

III. Question: What kind of autonomy will these 14 cities have?

Answer: Mainly to give them more autonomy to approve projects involving the utilization of foreign investment.

The state has given the municipal governments of these 14 cities the authority to approve production projects: projects involving technological reform and construction of new factories by old enterprises through the utilization of foreign investment, construction projects whose production conditions do not require the state's comprehensive balance, projects which do not require the state to be their sole agent for their products, projects which involve no export quotas and projects in which the coastal cities concerned are capable of repaying the principal and interest.

Nonproduction projects: These cities can approve projects which mainly rely on the utilization of foreign investment, which raise capital on their own, which involve construction using imported equipment and which do not require the state's comprehensive balance, regardless of the amount of investment.

Projects which involve foreign capital and which are considered and approved by these cities in accordance with the authority stipulated and other related applications for imports of facilities, inspection groups to be sent abroad, or negotiations with foreign partners should be submitted to these cities for consideration and approval and be reported to higher authorities for their information.

The revised measures aim to improve efficiency, to vitalize these cities in the realm of foreign economic cooperation, and to reform the practice of submitting plans for projects to every level of authority which has resulted in unnecessary complications and a waste of time. It is, therefore, better for a city to have one department to organize all departments concerned so as to coordinate all projects involving foreign investment and to streamline the procedures for considering and approving such projects. Undoubtedly, ours is a country which relies mainly on socialist planned economy. In giving more authority to these cities to take part in foreign economic activities, the responsible departments of the State Council should, at the same time, give substantial help in making plans, strengthening inspection coordination, transmission of information, and statistical work and vetting, and should strengthen the leadership in the macroeconomy.

IV. Question: What preferential treatment will foreign investors who invest and set up factories in such cities get?

Answer: I would like to highlight a few items:

1. We welcome foreign investors to provide advanced technology, and run joint ventures and cooperation projects with Chinese enterprises or projects with exclusive foreign investment. The rate of profit tax levied on all skill-intensive projects run by the above-mentioned production enterprises or projects involving foreign investment of \$3,000 or above will, if approved by the Ministry of Finance, be 15 percent less than the regular. The profit tax of normal projects will be levied in accordance with the existing tax system.
2. All production and management facilities and construction materials imported by joint ventures, cooperation projects with Chinese enterprises or projects with exclusive outside investment, all raw materials, original parts, spares, packing materials for the production of export goods, all imported vehicles for private use and office necessities, domestic necessities and vehicles for personal use of foreign investors and expatriate technical staff (only a reasonable volume of such necessities or a reasonable number of vehicles is allowed) will be exempt from import duty and consolidated industrial and commercial tax.
3. The products for export (except those restricted by the state) by such joint ventures, cooperation enterprises with Chinese enterprises or projects with exclusive outside investment will be exempt from export duty and consolidated industrial and commercial tax.
4. A definite amount of products by the above-mentioned enterprises which really provide advanced craftsmanship, production technology and facilities may be sold on the domestic market. Tax will be imposed in accordance with the regulations on the domestic sale of products which are manufactured from tax-free imported raw materials.
5. Other types of preferential treatment will be given to foreign investors who invest and set up factories in economic and technical development districts (hereafter referred to as development districts) in these cities.

In addition, the entry and exit procedures for foreign investors who desire to visit or inspect these 14 cities or hold business meetings there will be simplified for their convenience.

V. Question: Why will economic and technical development districts be set up? What kinds of preferential treatment will be given to foreign investors who invest in such development districts?

Answer: The aim of setting up economic and technical development districts is to actively import advanced technology which is needed desperately for our four modernizations, in particular by the skill-intensive projects and newly established industrial projects. The government has decided to carry out the preferential policy in development districts to set up joint ventures, cooperation enterprises with Chinese enterprises or to join hands with foreign investors to set up scientific research institutes, develop cooperation enterprises, to take part in research and planning, develop new technology and test new products. The government also welcomes foreign investors to make use of advanced technology and facilities to carry out projects with exclusive foreign investment in districts. Some development districts will be developed into international entrepots.

Foreign investors who invest or provide advanced technology to set up production enterprises and scientific research institutes in development districts of these cities will receive all kinds of preferential treatment as they do in old municipal districts. In addition, the rate of profit tax levied on them will be 15 percent less than the regular. Legitimate after-tax profits of the foreign investors, if remitted out of China, will be exempt from the normal 10-percent remittance tax. However, it should be stressed that all the projects carried out in development districts should be truly technically advanced. Ordinary projects should not be set up in development districts.

According to the provisions of the state, all economic and technical development districts should have specific boundaries and they should be supervised by the state. Each economic and technical development district proposed by these 14 cities should be submitted to the State Council for consideration and approval.

VI. Question: What policies have been adopted by the state to support the existing enterprises in these 14 cities to undergo technological reform?

Answer: In attaching importance to the technological reform of the existing enterprises, the state has recently stressed the utilization of foreign investment and introduction of advanced technology by carrying out a batch of small and medium projects with small investment but quick turnover and great results. The state has given its ardent support in the following ways:

1. Before 1990, no customs duty or consolidated industrial and commercial tax will be levied on imported key facilities, instruments and meters, and other equipment needed by the technological reform, regardless of the place of origin.

2. Profits from technological reforms should be used to repay debts before being taxed. Enterprises under the system of substituting tax payment for profit delivery should repay their debts before paying profit tax.

3. Regarding projects which mainly aim to enhance the quality of products but have no, or a low, increase of productivity, which have good economic results but whose profits are so low that they cannot create any foreign exchange, or which have good socioeconomic results but the enterprises concerned do not have remarkable results, the cities concerned can, on the basis of securing all the financial duties and submitting all remittance tax, coordinate repayment within the same trade or district.

4. If it so happens that the productivity and economic results of some enterprises have inevitably been affected by the technological reform, the cities concerned should, on the basis of not affecting the turning over of profits to the state, readjust the production planning and the duties of turning over their profits and tax of the enterprises concerned.

CSO: 4005/428

CIRCULAR ON CIRCULATION OF FOOD INDUSTRY DEVELOPMENT OUTLINE

Beijing STATE COUNCIL BULLETIN in Chinese No 18, 20 Aug 84 p 607

[State Council General Office Circular on the Circulation of the "Outline for the Development of the Food Industry From 1981 to 2000" (14 July 1984)]

(Guobanfa [0945 6586 4099] (1984) No 53)

[Text] The "Outline for the Development of the Food Industry From 1981 to the Year 2000," put forward by the State Economic Commission, has been discussed and passed by the Standing Committee of the State Council, and is herewith issued to you; please study and carry it out according to actual conditions in each area.

The food industry represents an important sector of the national economy, and by handling it properly, we can satisfy the demands of the people to raise their living standards, promote great development in agriculture, increase the withdrawal of currency from circulation and expand employment, all of which is of great significance to socialist modernization.

This "outline" is an important document for the development of China's food industry, and all regions and departments should, on the basis of the "outline," and the aims and tasks it puts forward, sum up their own concrete conditions, draw up a program for development and detailed proposals for its implementation, adopt effective measures, and promote the food industry as quickly as possible.

All the various regions and departments should make efforts to cooperate, and work hard to carry out the aims and tasks of the "outline." The China Food Industry Association must carry out overall planning for the entire country's food industry, strengthen management over this sector, and effect its concerted development. The general departments concerned must bring the development of the food industry into national economic plans, take care of the areas of funds, taxation, foreign currency and personnel training, and make great efforts to support the growth of the food industry, so as to make contributions to the modernization of China's food industry and the improvement of the people's standard of living.

CSO: 4005/428

## OUTLINE FOR FOOD INDUSTRY DEVELOPMENT FROM 1981 to 2000

Beijing STATE COUNCIL BULLETIN in Chinese No 18, 20 Aug 84 pp 608-620

[Outline for the Development of the Food Industry From 1981 to 2000]

[Text] Contents

### Foreword

1. The Principle of the Development of the Food Industry
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### Foreword

The "Outline for the Development of the Food Industry From 1981 to 2000" was based on the strategic goals put forward at the 12th National CPC Congress, drawn up to meet the demands of the entire country's people to reach a comfortable standard of living, and represents a struggle program for the speedy development of the food industry.

Food is the material basis for human existence and social development. It not only affects the physical health of the present generation, but also affects the physical growth and intellectual development of later generations, and, therefore, is of important significance to the promotion of the people's development.

The food industry is an important integral part of the national economy. The development of the food industry is demanded by the people's need for improved standards of living. With the raising of the level of the forces of production and the increase in the people's incomes, people are no longer satisfied simply with staple foods necessary for existence, but instead want high-quality, hygienic, nutritious, varied, tasty and convenient foodstuffs provided by processing, so as to satisfy all the various needs of different age groups, professions, labor burdens and physical states. This is an important symbol of humanity's cultural advance.

The food industry is a processing industry whose major raw materials are agricultural and sideline products, and a continuation of agricultural production. The development of the food industry enables us to make entirely rational use of agricultural resources, to improve the economic value of agricultural products, to push ahead rural commodity production, and to promote the beneficial cycle and overall growth in agricultural production; it is one path to promoting rural prosperity and enriching the lives of the peasants.

The food industry is made up of many sectors with wideranging influence, and is therefore intimately related to many other sectors of the national economy. The development of the food industry will play a role in promoting the packaging, machinery and fodder industries, and can bring along the catering trade and the tourism industry, making them flourish further; it can also expand social employment, expand export trade, increase financial accumulation and promote the concerted development of the national economy.

Over the last 30 years or so, China's food industry has trod a winding path. During the First 5-Year Plan, the food industry experienced an average annual growth rate of 13.2 percent, developing relatively quickly. Growth in the food industry slowed between 1958 and 1978, with an annual average growth rate of only 4.7 percent, making the food supply situation rather tight. Following the 3d Plenum of the 11th CPC Central Committee, with the readjustment of the national economy and the consistent growth of agricultural production, the food industry between 1979 and 1982 experienced an average annual growth rate of 10.4 percent, and saw new development. The gross output value of the food industry in 1982 reached 75.5 billion yuan, accounting for 13.5 percent of total industry, making it the third largest sector. However, the food industry continues to represent a weak link in the national economy. The output value of food industries in the developed nations is higher than that of agriculture, while China's food industry output is less than 30 percent of agricultural output value; manufactured food industry goods in the developed nations account for around 80 percent of total foodstuff consumption, while in China this figure is only around 30 percent. The flourishing development of rural commodity production means that huge amounts of agricultural products are waiting to be utilized; there is a great need to quickly develop all sorts

of traditional and famous foodstuffs; many new industries urgently need opening up; and with the daily increasing income of the people, demands for foodstuffs are getting higher and higher, and there is an urgent need to make the masses' three daily meals more convenient. In brief, the reform of the backward face of the food industry has become a highly pressing task.

The food industry shoulders an important and arduous task, and must actively make use of the fruits of new technology from China and abroad to make full use of China's advantages to work hard to open up a new situation in the food industry, and catch up with socialist modernization.

The principles, aims, tasks, key areas, policies, measures and plans envisaged in the outline are all countrywide. The implementation of the outline is the common task of all departments, regions and sectors. All the State Council departments concerned, along with the various provinces, autonomous regions, and municipalities, must, on the basis of the actual conditions in their departments, and areas, draw up development plans and detailed implementation programs. We can believe that through the hard work of the people of the whole country, the outline will definitely be implemented on time, and make contributions to the construction of socialist material and spiritual civilization and to the improvement of people's living standards and health.

### 1. The Principle of the Development of the Food Industry

In light of the economic construction task defined by the 12th National CPC Congress, the food industry should undergo great development. We must exploit China's rich natural resources, traditional skills and wide markets, take a road to development with Chinese characteristics, and build up the food industry into an important industrial sector which meets needs, deploys resources rationally, and develops in a concerted fashion.

The food industry must, under unified planning and unified arrangements, introduce mixed management and economic forms, develop them together, and make thorough use of the initiative of all areas. With the central cities as supports, and the surrounding towns and villages as links, it must bring with it the development of the rural foodstuffs processing industry. Links must be made between city and countryside, between the coastal areas and the interior, and between the food industry and agricultural production. All forms of combines must be developed according to local conditions. Full use must be made of foreign resources, foreign technology must be introduced, and cooperation with foreign countries developed. Large, medium and small combines should be developed, gradually forming production based on cooperation between specialists and a food industry system based on an amalgam of agriculture, industry and commerce.

The food industry should focus on the enhancement of economic and social results, and rely on technological advance, technological transformation, strengthened scientific research and personnel training, and enhanced management standards. Resources must be developed and used in a concerted way, developing the basic raw material of the food industry. The utilization rate of raw materials must be raised, and energy consumption reduced. Quality must

be put first, and we must produce a large variety of products which are convenient for consumers and which satisfy the various different consumer targets.

The food industry must, under the leadership of economic plans, give full play to the role of regulation by the market mechanism, and enliven the economy. Production, supply and sales should be intimately linked, and circulation channels streamlined. We must face the market, and efforts made to increase sales. We must establish the food industry in the domestic market, and actively expand exports.

## 2. The Aims of the Development of the Food Industry

The development of the food industry must be in line with the needs arising from the development of rural commodity production, with the people's demand that their living standards constantly increase, and with the planned and proportional development of the national economy. The goals for development are as follows:

A. By the end of this century, the gross output value of the food industry must be increased from 60 billion yuan in 1980 to 300 billion yuan in 2000, with an annual average growth rate in the first 10 years of 8 percent, and an 8.8 percent annual growth rate in the second decade. During the same period, the gross output value of the food industry will grow from 11 percent of total industrial output value in 1980 to around 15 percent, while the ratio between gross output value of the food industry and that of agriculture will change from 0.28:1 in 1980 to 0.5:1 by 2000. Urban and rural consumer spending on foodstuff industry products will rise to over 50 percent of overall foodstuff consumption.

B. By 2000, the major products of the food industry will have increased in quantity as follows: pasteurized milk, milk products, bean products, and egg products--20-fold or more; baby foods, beer, and beverages--15-fold or more; meat products, refined wheat flour, bread and other wheat flour products, fruit and vegetable products--10-fold or more; starch and aquatic products--6-fold or more; condiments, canned goods, and candies--3.5-fold or more; sugar cane products, tea, candies, salt, cigarettes, vegetable oils, slaughter animals and meat processed products--1-fold or more.

C. Food products must increase in variety, to meet the masses' demands for high-quality products and varied foods, and the demands of old people, infants and children, the army, the minority nationalities, tourists and exports. By 2000, the consumption expenditure of urban and rural residents on convenience foods will amount to 30 percent and 20 percent, respectively, of overall foodstuff consumption expenditure, such that gradually, the three daily meals of the people, along with the between-class and midday meals of middle and primary school students is made more convenient.

D. The nutritional value of meals should be improved, and food hygiene assured. On the basis of preserving the unique flavor and variety of China's foods, we must gradually increase the quality and quantity of protein, and make the nutritional value of meals more rational. By 2000, the amount of animal and

bean protein in the people's food must increase from less than 10 percent of total protein, the figure in 1980, to 20 percent and 25 percent, respectively. Foodstuffs should be clean, hygienic and free of toxins or harmful substances.

E. Storage, preservation, transportation and processing conditions must be improved, reducing losses and wastage of raw materials. The loss rate of fruit, vegetables, aquatic products and other perishable goods must be reduced to around 5 percent by 2000.

F. The main technological and economic quotas and packaging standards of the various sectors of the food industry must be substantially raised. By 1990, most enterprises must reach the advanced standard of 1980 in their respective sectors; by the year 2000, most enterprises must attain the advanced standard of 1990 in their respective industries in China. Backbone enterprises should attain the level of foreign enterprises in the same sector of the late 1970's and early 1980's, while some advanced enterprises should attain the advanced standards of the same period in foreign countries.

G. The scientific and educational level of staff and workers should be raised. By the year 2000, most workers should have reached senior middle school level, while management cadres should be of technical middle school level or above, and over 5 percent of the entire work force should be technicians.

### 3. The Direction and Key Points of Development of the Main Sectors Involved

China's food industry is composed of many different sectors. The achievement of the developmental goals of the outline requires common efforts by all sectors. Taking as the key areas the development of the basic raw materials of the food industry and the development of convenience foods, we must bring in their wake the entire food industry.

Grain processing: we must develop graded rice, unwashed rice and graded wheat flour for various uses. By 2000, refined flour should account for 50 percent of total flour output. Processing technology for products of rice, flour and miscellaneous grains should be developed, so that finished staple food products are proportionately more numerous than semifinished products.

The oil industry: Full use must be made of the various oil stuffs, and oil production developed. Techniques for saturated-fat production and low-temperature dissolving technology should be popularized, oil production rates increased, and more protein produced. Backbone oil factories should gradually be transformed into comprehensive enterprises engaged in producing food oils and edible proteins. By 1990, saturated-fat production should account for 30 percent of total fat production, and this figure should reach 70 percent by 2000. We must adopt modern oil-refining and hydrogenation technologies, and produce versatile oil products.

The sugar-refining and sweet products industry: At the same time as developing beet sugar and sugar cane sugar, we must actively develop all sorts of starch sugars, such as glucose and fructose. We must also develop natural sweet products, such as sweet chrysanthemum and so on. Fructose syrup output should grow to 300,000 tons by 1990, and 2 million tons by 2000.

The starch industry: We must comprehensively develop corn, sweet potatoes, cassava, potatoes, and other resources, and produce versatile starches and denatured starches, and work hard to raise harvest rates. When manufacturing starch from corn, we must extract oil and protein as well. At the same time, we must develop all kinds of new foodstuffs made from potatoes, sweet potatoes and corn.

Meat and aquatic products processing: We must develop cold storage preservation of fresh foods; adopt traditional techniques to produce a variety of cooked food products; adopt new technology to coordinate the development of new meat products from grazing animals, along with vegetable proteins. By 2000, cooked meat products and frozen packet products should account for over 20 percent of the processing output.

Milk product industry: We must make full use of milk resources, and produce varied milk products, emphasizing the development of pasteurized milk, yogurt and milk drinks. We must combine this with the production of all kinds of milk powder (especially that suitable for babies) along with cheese and cream.

Egg products processing: Apart from doing a good job of storage for the preservation of fresh products, emphasis should be placed on developing all kinds of traditional name-brand egg products and frozen eggs. New products such as egg powder products and egg yolk paste, should be developed.

Bean products processing: We must utilize soybeans and other beans to develop all sorts of bean products, with emphasis on developing beancurd and fermented bean products. We must also develop soybean flour and beanflour products.

Fruit and vegetable processing: We must handle properly storage for preservation and processing at the production site. Fruit processing should include mainly fruit juice, jelly, preserved fruit and various sorts of dried fruit products. Vegetable processing should develop in the areas of purifying, sorting, packing and canning, and traditional techniques should be used to produce all sorts of dried and pickled vegetables. Great efforts must be made to develop the production and processing of edible mushrooms.

Condiment industry: Full use must be made of natural condiment resources, and a variety of condiments produced. The variety of soysauce, other sauces, vinegar, MSG fish sauce and other condiments must be increased, and compound condiments developed.

Tea industry: We must develop famous-brand teabags and quick-dissolving tea. Tea products suitable for national minorities and exports must be developed. New uses must be found for tealeaves in foodstuffs. Tea seeds must be utilized.

Honey products processing: We must expand the scope of honey utilization, and produce a variety of honey products. We must expand the use of beeswax, bee glue, bee venom, and royal jelly. Pollen products should be developed.

Salt industry: We should develop mainly washed salt, and at the same time produce iodized salt, seasoning salt, health salts, and other products. We

should increase different-sized small packets of salt. We should further develop the comprehensive use of brine.

Beverage industry: We should develop drinks like fruit juice, vegetable juice, fruit sodapop, soybean milk, fermented soybean milk, mineral water, along with instant drinks, such as concentrated fruit juice, cocoa and coffee. We must, in particular, develop traditional drinks and health drinks, along with ice cream and other frozen foodstuffs.

Canning industry: We must make full use of fruit, vegetable, aquatic and meat resources, and produce a large variety of canned products, with emphasis on developing canned fruits and vegetables. We should improve packaging, develop soft packets, and actively expand domestic sales and exports.

Processing of candies, sugar cane, cakes, bread and others: We should produce a rich variety of high- middle- and low-grade products. Emphasis must be on the development of traditional, popular foodstuffs and staple bread while at the same time introducing foreign technology and products.

Tobacco and alcohol industry: In alcohol, we should develop mainly beer, wine, rice wine and fruit wine, expand famous-brand high-quality spirit production, and gradually increase the proportion of low-alcohol-content spirits. The tobacco mix in cigarettes should be readjusted, quality improved and new brands created.

Overall food production: We should develop the nutritional value of all foods as well as additives, enzymes and edible flavoring essence and spices.

#### 4. Improving the Nutritional Value, Hygiene and Quality of Foodstuffs

Hygiene and nutritional value are the major criteria of food quality, and must be taken as the primary work of foodstuffs production, and grasped thoroughly as such.

A. The nutritional value of food must be increased. All the sectors of the food industry must organize food production and guide food consumption on the basis of the national policy on nutrition and nutritional standards. They must coordinate closely with agricultural departments, and in light of the demands of processing and improving nutritional value, create fine products. Advanced processing technology must be adopted, sources of nutrition expanded and losses of nutrition reduced. Nutrition plans for food processing must be done well. Additives and combinations should be used to strengthen and complement nutritives, thereby raising the nutritional value of foods.

B. Food hygiene must be assured. Hard work must be done to eliminate pollution of raw materials and guard against food pollution, in the production, storage and transportation of agricultural products, and the packing and selling of processed foods. The laws on food hygiene must be strictly enforced, and food factory hygiene standards drawn up and improved upon. An inspection and supervision structure must be established and perfected to insure food hygiene, with food inspection centers set up in large and medium cities all

over the country, forming a food hygiene network with hygiene departments at all levels, thereby insuring food hygiene.

C. Food quality standards must be strictly adhered to, and quality control strengthened. By 1990, various food quality standards must be established in batches and stages throughout the country, and these must be added to and improved constantly as scientific standards are raised and products increase in variety. Enterprises must be rectified, and quality control strengthened all over the country, improving the quality-control system and insuring the stable raising of product quality, with more top-quality famous-brand goods being produced. Food packages must show lists of ingredients and keep-fresh dates.

#### 5. Opening Up the Use of Resources, and Developing Raw Materials Base Areas

China is extremely rich in natural resources suited to food processing; apart from the daily-increasing agricultural and sideline products, there are also great quantities of wild resources and special resources. The development of the use of these resources and the proper construction of raw materials bases constitutes a reliable guarantee for the speedy development of the food processing industry, and an important condition for the development of rural commodity production.

A. We must increase the capacity of enterprises to utilize and add value to raw materials. We must liberate our thinking, readjust policies, adopt effective measures, and fully utilize resources: 1) we must strengthen enterprise management, and raise the quality of enterprises, genuinely bringing them onto the path centered on raising economic results; 2) we must adopt new technology, and do a good job of overall utilization and processing at many levels, constantly increasing the value of products; 3) we must utilize biotechnology, and create new products; 4) we must develop processing at the raw materials production sites, reduce links, reduce losses, and economize on expenses; 5) we should organize combines based on the principle of mutual benefit, and mobilize the initiative of all sides to make use of natural resources; 6) we must improve packaging and raise product quality.

B. We must reduce loss and wastage of agricultural raw materials. We must start with improving product variety, and with this aim improve cultivation and breeding technology, making a good job of management at different grades and levels. We must rationally deploy processing capacity, so that products are processed and handled promptly. We must research and popularize new technology for preserving perishable goods such as fruits, vegetables, meat, poultry, eggs and aquatic products, and the storage of grain, and do a good job of storage and transportation, developing cold transportation and improving packaging, so as to, as far as possible, utilize all agricultural raw materials.

C. We must develop the fodder industry. Sideline products and leftovers from food factories, apart from producing a variety of foods and medicines, should be used in a big way to develop fodder production. The three wastes should be handled to develop fodder and additives, making full use of rural fodder

resources, and developing nutritionally balanced fodder, linking up fodder production with the development of the fodder industry and the slaughter and processing of livestock, so as to develop in a comprehensive way milk, fish, meat, poultry, eggs and other natural resources.

D. Stable and specialized raw materials bases should be built up. The construction of raw materials bases should be linked with agricultural regions, and based on the principle of maximum yield. Measures should be suited to local conditions, and the planting of crops organized accordingly. Food processing should suit the deployment of agricultural crops, and agricultural productions should meet the demands of food processing, such that agricultural raw materials are constantly improved in quality, and crop varieties are produced in special areas. Food factories should buy on the principle of more money for higher quality, and agricultural raw materials should be standardized. Food processing must link up with state-run, collective and individual farms, crop planting must link up with fodder industry, and specialized production and overall management must be carried out.

E. Funds must be built up for raw material bases, and apart from financial loans and low-interest loans from banks, along with discounts and credits, factories should be permitted to set up raw material base funds. Restaurants, hotels, canteens, and fast-food centers may pool funds to set up raw material bases, carrying out processing on the spot and achieving direct supply.

## 6. Hastening Technological Transformation

In order to speed up the development of the food industry, apart from new construction, it is also necessary to rely on technological transformation to fully tap the potential of existing enterprises.

A. The technological transformation of the food industry must center on raising production technology standards, improving hygiene conditions, raising product quality, increasing variety, expanding the comprehensive use of natural resources, increasing the utilization rate of raw materials, and reducing energy consumption. The emphasis of technological transformation is on developing the utilization of raw materials and the production of convenience foods, top-quality famous products and products in urgent market demand.

B. When renewing machinery and reforming techniques, domestic and foreign scientific research results should be used, especially new technology in the sphere of bioengineering and computers, combining technological transfer with technological problem solving and technological introduction. Technological introduction must be organized in a planned way, with emphasis on introducing software. At the same time as buying equipment, the technology for manufacturing that equipment should also be introduced, along with the new techniques for food production, such that advanced technology is connected with equipment sets. Technology and equipment must be digested properly and innovations made.

C. Technological prototype factory. Each sector in each province, autonomous region and municipality must concentrate on one backbone factory, transforming

it into a model for advanced technological equipment and technoeconomic targets, as well as a center for technological development, personnel training, information, and consultancy services, bringing the whole sector's technology in its wake.

In general, the proportion of buildings as part of the total fixed assets of food industry enterprises is relatively high. On top of that, factory buildings are overcrowded, many are unsafe, and hygiene conditions are poor. Departments concerned must appropriately raise the proportion of building expenses and building square-footage in their overall technological transformation costs. Small enterprises must adopt measures such as obtaining loans from the vendor or hiring equipment to promote technological transformation.

## 7. Strengthen Scientific Research

In the food industry, industrial departments connected with many branches of science are involved. Forces must be organized in all areas to strengthen scientific research in the food industry.

A. The key areas of scientific research in the food industry are: 1) research into biotechnology (such as fermentation engineering, enzyme engineering and so on), along with its application in the food industry; 2) research into the storage, transportation and preservation of raw materials and finished products in the food industry; 3) research into the processing technology and new uses for the basic raw materials of the food industry; 4) sorting out and improving traditional production technology and researching and developing convenience food with Chinese characteristics; 5) research and development of nutritional additives in foodstuffs; 6) research into advanced processing skills and machine packing; 7) research into the application of microelectronic technology in the food industry; and 8) research into and application of new food packaging materials and machines.

B. We must establish a scientific research system in the food industry. Nationwide food technology development centers, food nutrition and hygiene research centers, food inspection centers, and information centers should be set up. Based on the special technological, raw materials and market characteristics in each area, food technology development centers must be set up in each region. Each department and central city should establish comprehensive or specialized research institutes. Each specialized company and large and medium enterprise should establish research organs, while small enterprises should have special staff engaged in technological development. Nationwide scientific research organs should emphasize applied technology research and appropriate basic theory research. Localities and enterprise research organs should deal mainly with the popularization and application of advanced technology, the development of new techniques, new products and new equipment.

C. Research must do a good job of coordination and combined problem solving. This involves first, centering on a particular raw material or piece of equipment, and organizing strength on a lateral basis to carry out overall research; second, centering on a particular product, organizing strengths on a vertical

basis throughout the whole process from agriculture to processing, packaging, storage, transportation, marketing, and consumption, to develop a whole chain of scientific research to carry out a comprehensive operation; and third, concentrating on key problems existing in production, and organizing enterprises and institutes of higher education and scientific research units to carry out combined research, with enterprises paying for research costs and the state giving subsidies, with the fruits of the research being shared by all units involved.

D. Scientific research units must be geared to production and society, and establish pilot factories, gradually turning them into enterprises, and speedily transferring the fruits of scientific research into production forces. Scientific research institutes should be small but precise, with specialized personnel. We must strengthen S&T circulation between China and the rest of the world, and within China itself.

#### 8. Providing Proper Education for Personnel Training

There is a lack of management and technological personnel, and the educational level of staff and workers is low. This constitutes an acute contradiction within the food industry. The proper handling of education and personnel training has become a key to hastening development in the food industry.

A. We must establish a food industry education system. On a nationwide basis, we must establish an all-round food industry university and training center. Those provinces, autonomous regions and municipalities which possess the appropriate conditions must establish food industry institutes, or add food departments to existing universities. Light industry institutes and commercial institutes must expand and strengthen the departments related to food processing. Agricultural institutes must restore agricultural product processing departments. Medical colleges must restore or add food hygiene and nutrition departments. Mechanical institutes must establish food machinery subjects and food packaging subjects. Training institutes for cadres and technicians must be handled well. Each city, county and specialized company must establish intermediate-level food industry schools, colleges or trade schools, along with cadre training classes. Efforts must be made to develop special food subject groups in electrical engineering colleges, vocational colleges, correspondence schools and ordinary middle schools. Combined studies must be organized between factories and institutes of higher education and middle schools, and students sought.

B. Food industry enterprises must make use of social forces and their own technological forces to run, by themselves or in coordination with other factories, night schools, carrying out systematic education of their employees. They must also run all sorts of personnel training classes for people currently employed, allowing them to receive training every 2 or 3 years, so as to raise technological standards and encourage workers and staff to carry out self-study.

C. Personnel trained through their own study or through schools run by society or enterprises should sit for public examinations and on this basis be given certificates of their educational level and be assigned proper position titles.

## 9. Developing Food Machinery and Packing Technology

The food industry requires the simultaneous development of advanced machinery and packing technology.

A. Departments involved in food machinery and packing machinery should develop new technology and provide new equipment. In particular, developments should be made in the areas of machinery and equipment needed for traditional products, convenience foods and the processing of basic raw materials. Concentrating on lowering energy consumption and raising the utilization rate of raw materials, problems should be solved concerning the technology necessary for machinery used for packing fermented, concentrated, sterilized, separated, saturated, expanded, dried, baked, solidified and liquid foodstuffs, so that gaps are filled and whole sets of equipment provided.

B. On the principle of making production more specialized, barriers should be broken down between departments and regions, and all military and civilian forces should cooperate to bring about a situation in which food machinery and packaging machinery gradually become standardized and systematized according to world standards. The equipment provided by manufacturers should insure good quality and be safe in terms of production and hygiene.

C. In food packaging, we must first solve the problems of the requirements of packing convenience foods, and at the same time improve packaging for export and tourist items. Packaging materials and machines should be standardized, systematized and popularized, with many varieties to satisfy all needs and new packing materials developed, especially those which are suitable for soft packing. New machines should also be developed. Design standards and printing technology should be improved for packages.

D. In order to hasten the development of food machinery and the packaging industry, the departments must provide high-quality materials, such as stainless steel, titanium, aluminum, galvanized iron and so on. The oil and chemical departments should provide all sorts of solvents, coatings, plastics and adhesives. The railway, transportation and car manufacturing departments must provide special tankers, ships and heavy trucks for the on-site processing, packaging and concentrated production of foodstuffs, along with cold storage construction.

E. The prices of titanium, stainless steel and plastics should be rationally adjusted. The situation of many links leading to more taxation and expenses should be rectified.

## 10. Rational Deployment and the Development of Combines

Making the masses' consumption more convenient and developing on-site processing of raw materials constitutes an important principle behind the rational arrangement of the food industry. He must organically link up the cities with the rural areas, the coastal with the inland areas, and the food industry with agricultural production, exploit advantages, make up for weaknesses with others' strengths, deploy things rationally, promote combination and bring about common development.

A. The food industry in the cities must combine high-quality products with mass-produced products, satisfying the needs of the citizens and the export market, and at the same time provide sets of products for the rural food industry. We must give play to technological, equipment and information advantages to support the rural food industry, develop on-site processing of raw materials, and promote construction in small towns and villages surrounding the cities. We must readjust the product mix, shifting to the countryside those products suitable for on-site processing, and linking up the rural primary industries with deep processing in the cities.

B. The village food industry and the state-run farm food industry must actively develop on-site processing of agricultural and sideline products, be geared to the broad rural markets, and produce products to satisfy the consumer demands of rural residents. At the same time, we must provide finished and semifinished products for urban citizen consumption, and develop export foodstuffs. All products suitable for concentrated processing should generally be produced in small township factories, while those suitable for dispersed production may be processed on-site in the rural areas. The small-town food industry must link up with the planting industry and animal husbandry industry of specialized households and serve them. We must also exploit the advantages of the countryside in terms of natural resources, funds and labor power, link up with urban food industry enterprises to run factories, and open up raw materials and resources for the urban food industry, thus supporting and promoting the development of the urban food industry.

C. The coastal region food industry must carry out the policy of expanding into the foreign market and linking up with the interior, giving play to its advantages in terms of personnel, technology and equipment. On the one hand, it must develop new industries and products, improve traditional foodstuffs and work hard to break into the international market and, on the other hand, actively support the development of the food industry in the country's interior. Special attention must be paid to supporting old (old revolutionary base) minority (national minority) border (distant border) and poor (poor) areas in terms of the development of their food industries. The food industry enterprises in coastal regions must broadly develop all sorts of economic combines with interior food industry enterprises, and transfer domestic and foreign advanced technology and management experiences to the interior.

D. Between the cities and countryside, the coastal areas and the interior, and between the advanced and backward areas, the food industry must permit the circulation of personnel and funds, and adopt all sorts of forms of economic combination involving technological cooperation, technological transfer, cooperative factory-running, compensation trade and so on. Whatever form of combination is adopted, the principles of voluntariness, equality and mutual benefit must be upheld. Apart from the necessary administrative intervention, economic means should be relied on mainly. Raw materials and semifinished products of enterprises should be linked up, supply links should be simplified, graded taxation introduced, and double taxation avoided; output value may be calculated according to share values, and may be accounted for in the areas in which enterprises are situated.

## 11. Relaxing Economic Policies

Apart from a few food industry products which have high returns, most are products with low profit margin. Some rely on policy-type subsidies to maintain production, lack funds for expanded reproduction, and have not achieved any development for a long time. In order to hasten the development of the food industry, policies must be relaxed.

A. Investment for capital construction and technological transformation in the food industry must be increased from the level of the Sixth 5-Year Plan. The renewal rate of fixed assets must be appropriately raised. In the banks, short-term, low-interest or subsidized loans must be appropriately expanded, while pretaxation repayments should be permitted and repayment schedules lengthened.

More loans should be given to enterprises producing baby foods and small-profit foods.

B. Broad fund-accumulation policies should be carried out. Each area and department must support food industry enterprises in gathering funds from all areas, drawing upon idle social funds, and permitting state-run and collective enterprises, organs, groups and individuals to buy shares. Furthermore, various forms of using foreign funds must be adopted, such as joint enterprises, cooperative production, compensation trade and so on, in order to develop the food industry.

C. Administrative departments at all levels must draw out part of their development funds to be transferred to the food industry for their use in supporting medium and small enterprises in carrying out technological transformation, and developing the area of hiring domestic and foreign equipment.

D. Foodstuffs produced with high-priced raw materials should be taxed less. With the exception of cigarettes and alcohol, those products which are eliminating the three wastes and carrying out comprehensive utilization, along with prototype products, should be permitted to be tax exempt before the three wastes have been eliminated and formed production capacities.

E. In pricing policy, the principle of high price for high quality should be practiced, and apart from those foods which have a fixed supply quantity for residents, products may be allowed floating prices within a certain scope, according to the market demand.

F. Links involved in the supply of raw materials and the sale of products should be simplified, until we arrive at a situation in which raw materials are provided as soon as they are needed, and are in the shops as soon as there is a demand. Products needed by the food industry itself may be supplied directly.

## 12. Strengthening Leadership Over the Food Industry

The food industry is an all-round industry involving many producers and many different economic forms, and we must strengthen leadership over it, promoting its coordinated development.

A. Government at all levels must make the development of the food industry an important part of their agendas and fully strengthen leadership. First, thinking must be liberated, the courage found to reform, and effective measures adopted. All rules not conducive to the growth of the food industry must be changed. Enterprises must be encouraged to carry out readjustment and rectification, and a profit-and-loss responsibility system must be carried out by expanding the autonomy of enterprises.

B. The food industry must strengthen sector management, and a plan, involving all departments, must be drawn up for the entire industry. Administrative and economic means should be adopted to carry out overall planning and coordination, so as to promote the reform of the management system. Food industry enterprises within the agricultural, animal husbandry, fishery and commerce systems must use the methods of those industries to carry out specialized management, independent accounting, and individual responsibility for profit and loss. All provinces, autonomous regions and municipalities must, at the same time as strengthening their food industry associations and specialist associations, establish a food industry office, set up technological development companies or overall and specialist food industry companies to oversee the food industry, provide effective cadres and technology, and management personnel, so as to meet the needs of the development of the food industry.

C. The main products of the food industry (including commercially run and farm-run food industries) must become part of the national and regional plans, so that overall arrangement of supply, production and sales is balanced. The majority of food industry products are greatly affected by changes in raw materials, markets, geographical conditions and seasons, there are many different varieties of products, and supply and demand conditions change a lot. Therefore, under the guidance of plans, we must do a good job of market survey, market information, and make full use of the regulation by the market mechanism to promote the healthy development of the food industry.

D. We must strengthen propaganda and publication work in the food industry. We must publicize the principles and policies of the CPC Central Committee regarding the development of the food industry, and introduce the advanced experiences and the S&T from home and abroad for the development of the food industry.

CSO: 4005/428

EXPERIMENTAL ECONOMIC REFORM POINTS IN JIANGSU APPROVED

Beijing STATE COUNCIL BULLETIN in Chinese No 18, 20 Aug 84 pp 620-621

[State Council General Office Approval of Jiangsu Provincial People's Government Report Proposing the Setting Up of Experimental Points in Nanjing City for the Comprehensive Reform of the Economic System (13 July 1984)]

[Guobanfa [0948 6586 4099] (1984) No 51]

[Text] The State Council has approved in principle your province's "Report Requesting Approval for Nanjing City To Carry Out Comprehensive Reform of the Economic System."

Nanjing City is an important port in the lower reaches of the Chang Jiang and has close economic relations with the economic areas in the delta of the Chang Jiang and the whole Jiangsu and Anhui areas. The setting up of experimental points in Nanjing city for the comprehensive reform of the economic system is of great significance in enlivening the economy of the areas in the lower reaches of the Chang Jiang, in exploring the way of conducting reform of the economic system in the provincial capital and big cities, in forming a multiple-level economic network based on large cities and in giving full play to the role of the large cities as economic centers.

The comprehensive reform of the economic system in Nanjing city should be carried out under the leadership of the Jiangsu Provincial CPC Committee and Jiangsu Provincial People's Government. In accordance with the tasks and demands of conducting reform of the economic structure raised in the "Government Work Report" given by Premier Zhao Ziyang in the Second Session of the Sixth NPC, and in light of the practical situation in Nanjing city, you are requested to firmly focus on carrying out investigation and study, to work out concrete reform schemes, to make arrangements for putting the schemes into effect and to do a good job of setting up the experimental points. The various relevant departments of the State Council are to give you positive support and guidance.

CSO: 4005/428

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